

PRIVILEGES AND CONDITIONS

1. BENEFIT PAYABLE

- (a) If Insured dies during the Contract Term, we will pay the Sum Assured, together with any accumulated Bonus declared ("the Death Benefit"). This Policy will terminate immediately upon payment of the Death Benefit.
- (b) If the Insured survives at the end of two (2) years from the Date of Issue of this Policy ("the Second Anniversary Date"), we will give a Cash Benefit. We will continue to give a Cash Benefit for each complete successive year that the Insured survives after the Second Anniversary Date during the Contract Term ("Subsequent Anniversary Date"). We will not give any Cash Benefit, pro-rated or otherwise, if the Insured does not survive a complete year for any Subsequent Anniversary Date.
- (c) If the Insured survives at the end of the Contract Term, we will pay the Maturity Benefit.

2. INCONTESTABILITY

This Policy shall be incontestable, except for fraud or non-payment of premiums, after one year from the Date of Issue, the effective date of any increase in the Sum Assured or from the date of reinstatement, whichever is the latest.

3. RESIDENCE, TRAVEL AND OCCUPATION

No restrictions are placed upon the Insured with regard to residence, travel and occupation, except as provided in any Special Agreement or Endorsement to this Policy issued by us.

4. SUICIDE

This Policy shall be void if the Insured, whether sane or insane, dies by his or her own hands within one year from:-

- (a) the Date of Issue of this Policy or
- (b) the effective date of any increase in the Sum Assured or
- (c) the date of reinstatement of this Policy.

If any of the above event occurs, we will refund the total premium paid without interest less any Cash Benefit that has been given.

If any interest in this Policy has been bona fide acquired for valuable consideration by any person other than the Insured, and of which written notice has been received by us before the death of the Insured, we will pay that person the amount of such valuable consideration or the total premium paid without interest less any Cash Benefit that has been given, whichever is the lesser.

5. ADMISSION OF AGE

If the date of birth was incorrectly stated in the proposal form, the Sum Assured shall be such sum as the premium paid would have purchased according to the premium rate based on the correct date of birth on the Policy Entry Date.

6. GRACE PERIOD

You are allowed a grace period of 30 days ("the Grace Period") to pay your second and subsequent premiums. During this period, this Policy will be maintained in full force, but if any sum becomes payable or any Cash Benefit to be given by us during the Grace Period, the amount of any unpaid premium will be deducted accordingly.

7. POLICY FEES

- (a) We will deduct a monthly policy fee of \$2.50 or such other amount which we may from time to time determine, from the premiums paid.
- (b) This policy fee is not guaranteed and may be reviewed by us at any time.

8. NON-PAYMENT OF PREMIUMS

The following shall apply to premiums that are not paid within the Grace Period:

- (a) if this Policy has acquired a cash value which, after deduction of any existing charge in our favour (including a charge in respect of any earlier unpaid premium and interest), is greater than the amount of the unpaid premium, we will advance an automatic premium loan and this Policy will remain in full force subject to deduction of the outstanding premium or premiums with interest at a rate determined by us;
- (b) if this Policy has not acquired a cash value, or if the cash value, after deduction of any existing charge in our favour (including a charge in respect of any earlier unpaid premium and interest) is less than the amount of the unpaid premium, this Policy will lapse on the expiry of the grace period.

If this Policy has lapsed, it may be reinstated at any time within thirty-six months of the date of lapse, on payment of the outstanding premiums and interest and subject to satisfactory proof of the good health of the Insured and provided no adverse material change has occurred in the risks covered by this Policy.

For the avoidance of doubt, the Cash Benefit or any other benefit shall not be given or paid once this Policy has lapsed, unless this Policy is reinstated.

9. SURRENDER VALUE AND PAID-UP POLICY

When premiums for this Policy have been paid for at least 2 years, this Policy may, at your written request, be:-

- (a) surrendered, upon which we will pay a cash value; or
- (b) converted to a paid-up policy for a reduced Sum Assured, upon which no further premiums will be payable. The paid-up policy will participate in subsequent bonus distributions in respect of the reduced Sum Assured only, but the full amount of any bonuses attaching to the policy at the date of conversion will be attached to the paid-up policy.

The cash value and the paid-up Sum Assured shall be of such amount as determined by our appointed actuary.

No Cash Benefit shall be payable after the Policy is converted to a paid-up policy.

10. LOANS

Loan on the security of this Policy may be granted at our discretion and subject to such terms and conditions determined by us from time to time. All such loans and interest thereon will be a first charge on this Policy and will be deducted from any amount payable or any Cash Benefit to be given under this Policy. If at any time the amount of such loans and interest exceed the cash value of the Policy, all benefits under this Policy shall automatically cease. No loans will be granted to anyone below the age of 21 years. Repayments in whole or in parts may be made at any time. We shall charge interest on the loan amount and the interest charged shall be based on the rate agreed at the time the loan is taken. We may change the interest rate at any time and, if any change is made, we shall provide 1 month's notice about such change.

11. BONUSSES

This is a participating Policy. Bonuses when declared will be added to this Policy out of the surplus arising from the actuarial valuation of the life assurance fund. The amount of bonuses will be recommended by our appointed actuary and approved by our Board of Directors. Bonuses will not vest until two (2) years from the Policy Entry Date.

12. CASH BENEFIT

You can opt to use the Cash Benefit given to you in any one of the following ways:

- (a) purchase a new Special ILP in your name as the policy owner or top-up an Existing Special ILP;
- (b) place the Cash Benefit in a Deposit Account at the prevailing interest rate determined by us; or
- (c) withdraw the Cash Benefit.

We will write to you to seek your instructions at least 60 days before the Second Anniversary Date as to how you wish to use the Cash Benefit which is to be given to you, with a default condition as to how we will use the Cash Benefit on your behalf if we do not receive your instructions at least 30 days before the Second Anniversary Date ("the Default Option"). We will use the Cash Benefit in the same manner as the Default Option for subsequent Cash Benefits which are to be given for Subsequent Anniversary Dates unless and until you give us written instructions at least 30 days before a Subsequent Anniversary Date to use the Cash Benefit in a different way.

If we do not receive your instructions as stated above, you are deemed to have irrevocably given us full mandate and discretion to exercise the option of using the Cash Benefit in any way we deem fit on your behalf without us being liable to you for any losses, expenses, costs or damages whatsoever which may be incurred or suffered by you as result of or arising from the way we have opted to use the Cash Benefit on your behalf or from the application of the Default Option at any time.

If you opt to use your Cash Benefit in a particular way, you must inform us of your decision in writing at least 30 days before the Second Anniversary Date as to how you are using the Cash Benefit. This decision that you make shall be deemed to be a standing instruction from you to us that you are using the subsequent Cash Benefits in the same way for each and every Subsequent Anniversary Date.

Any written instruction from you to us to use any subsequent Cash Benefit in a different way from the last given standing instruction shall be deemed to be a new standing instruction from you to us that you will be using the subsequent Cash Benefits in that way for each and every Subsequent Anniversary Date. If at any time, any instruction, new or otherwise, from you is unclear or not valid in any way, we reserve the right to apply the Default Option for your Cash Benefits.

A standing instruction shall continue and be effective until such time when you cancel that standing instruction by giving us at least 30 days written notice before the next Subsequent Anniversary Date.

12A. SPECIAL TERMS OF SPECIAL ILP

If your Cash Benefit is used to purchase a Special ILP or is used to top up an Existing Special ILP, the following special terms will apply:

(i) Price

The bid price (ie. the price that is used when units in the ILP are sold) and not the offer price (ie the price that is used to buy units in the ILP) will be used.

(ii) Waiver of Fees, Expenses and Charges

We will waive the ILP front-end charges, renewal or surrender fees, and policy fees.

(iii) Termination

The Special ILP will be automatically terminated and fully surrendered if the Policy is void, terminated, fully surrendered, or has lapsed or matured. Any money payable under the Special ILP will be paid to you.

The Special ILP shall also be subject to its separate, independent and applicable terms and conditions at the time of purchase or top-up.

12B. DEPOSIT ACCOUNT

If your Cash Benefit is deposited with us, the following special terms will apply:

(i) we will hold the Cash Benefit in a Deposit Account opened under your name as a custodian only;

(ii) the Cash Benefit and balance in the Deposit Account will earn interest at a rate determined by us;

(iii) no charge, fee or expense is imposed on your Deposit Account;

(iv) you may only top up this Deposit Account with the yearly Cash Benefit which is given to you under this Policy. You may not top up this Deposit Account with any other money, including money or Cash Benefit which was previously withdrawn from your Deposit Account or Special ILP;

(v) you may make partial or full withdrawal of the amount standing in your Deposit Account;

(vi) we will send an annual statement informing you of the balance held and the prevailing interest rate earned on the Cash Benefit in your Deposit Account;

(vii) the Deposit Account will be automatically terminated if the Policy is void, terminated, fully surrendered, or has lapsed or matured. Any money in your Deposit Account will be paid to you.

13. TOTAL AND PERMANENT DISABILITY BENEFIT

- (a) While this Policy is in force, should the Insured become Totally and Permanently Disabled, except as stated in (e) below, we will pay the Total and Permanent Disability Benefit subject to the following:-
- (i) the Total and Permanent Disability must occur before the Insured attains the age of 65 years;
 - (ii) On the expiry of the Contract Term or on the death of the Insured before 100% of the Total and Permanent Disability Benefit has been paid, we will pay the balance of the Total and Permanent Disability Benefit still unpaid;
 - (iii) all supplementary insurances issued under this Policy will cease; except the Extended Total And Permanent Disability Benefit if applicable.
 - (iv) this Policy will terminate immediately on full payment of this Total and Permanent Disability Benefit;
 - (v) the maximum aggregate liability under this Total and Permanent Disability Benefit in respect of this Policy and every other Policy issued by us that may be in force is limited to \$2,000,000/-; and
 - (vi) the Total and Permanent Disability Benefit payable under this Policy will be subject to a maximum payment of \$1,000,000 each year. Any balance of the Total and Permanent Disability Benefit due after the first \$1,000,000 has been paid, will be paid 12 months later.
- (b) Total and Permanent Disability Benefit means the Sum Assured including accumulated Bonuses less any lien or debt.
- (c) Total and Permanent Disability / Totally and Permanently Disabled means:
- (i) The complete and continuous inability of the Insured at that time and at all times thereafter to engage in any business or occupation or perform any work of any kind for remuneration or profit; or
 - (ii) Total Physical Loss.
- (d) Total Physical Loss means any one of the following:
- (i) the total and irrecoverable loss of sight of both eyes;
 - (ii) the loss by complete severance or total and irrecoverable loss of use of both limbs at or above the wrist or ankle or
 - (iii) the total and irrecoverable loss of sight of one eye and the loss by complete severance or total and irrecoverable loss of use of one limb at or above the wrist or ankle.
- (e) We will not waive future premiums and we will not pay this Total and Permanent Disability Benefit if the disability is a result of intentional self-inflicted bodily injury, or if the Insured ceases to be totally and permanently disabled.
- (f) If the Insured is Totally and Permanently Disabled, we must receive satisfactory evidence of the Insured's Total and Permanent Disability certified by a registered medical practitioner.
- (g) If the Insured is Totally and Permanently Disabled as defined under clause 13(c)(i), the Insured must provide additional satisfactory evidence to us that the Insured has been Totally and Permanently Disabled for a continuous period of at least 6 months. Such evidence must also be certified by a registered medical practitioner.

14. ASSIGNMENTS

We will not be bound by any assignment of this Policy unless we are notified of the assignment in writing and have endorsed this Policy accordingly.

15. ARBITRATION

Should any difference arise between the Policyholder and NTUC Income as to the Policy, the same shall be referred to arbitration in accordance with the statutory provisions for the time being in force in the Republic of Singapore and the obtaining of an award by the Policyholder shall be a condition precedent to any liability of NTUC Income under this Policy.

16. EXCLUSION OF THIRD PARTY RIGHTS

A person who is not party to this Policy shall have no right under the Contracts (Rights of Third Parties) Act (Chapter 53B) to enforce any of its terms.

17. DEFINITIONS

“Cash Benefit” means an amount equal to 5% of the Sum Assured.

“ILP” means an investment-linked insurance policy offered by NTUC Income which provides benefits calculated by reference to units, the value of which is related to the market value of the underlying assets invested in a fund.

“Maturity Benefit” means an amount equal to the 120% of the Sum Assured plus accumulated bonuses less the sum of all Cash Benefit given before the end of the Contract Term, and, any lien or debt.

“Special ILP” means an ILP purchased under clause 12(a)

“Existing Special ILP” means a Special ILP that was purchased with any Cash Benefit given earlier to you, and issued to you as the policy owner.